



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
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Eligibility Operations Memo 02-02
January 1, 2002

TO: MassHealth Eligibility Operations Staff

FROM: Tom DeVouton, Director, MassHealth Enrollment Center Operations

RE: **2002 Social Security Benefit Cost-of-Living Adjustment (COLA) for Community and Long-Term-Care MassHealth Cases**

Introduction

The following cost-of-living adjustments were effective January 1, 2002.

- Retirement/Survivors/Disability Insurance (RSDI) benefits increased by **2.6%**.
- The maximum monthly maintenance needs allowance increased from \$2,175 to **\$2,232**.
- The maximum amount of assets that can be kept by an institutionalized individual's spouse increased from \$87,000 to **\$89,280**.
- The basic Medicare Part B premium increased from \$50 to **\$54** per month.
- The payment for Qualifying Individuals (QI-2) is increased from \$3.09 to **\$3.91** per month.
- The Medicare Part B premium surcharges increased. The updated surcharge table is attached to this memo.

PACES has been updated to reflect these new amounts. MA21 (QI-2 component only) has been updated to reflect the new amount.

Federal Poverty Level-Related Issues and PACES Actions

The Omnibus Budget Reconciliation Act (OBRA) of 1990 mandates that the following groups of people will not lose their eligibility for MassHealth as a result of a cost-of-living adjustment.

- Elderly or disabled MassHealth members whose income is less than or equal to 100% of the federal poverty level (FPL).
- MassHealth Senior Buy-In members whose income is less than or equal to 100% of the FPL.

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**Federal Poverty
Level-Related
Issues and
PACES Actions
(cont.)**

- MassHealth Buy-In for Specified Low Income Medicare beneficiaries (SLMB) in long-term-care whose income is greater than 100% but less than 120% of the FPL.
- MassHealth Buy-In for SLMB/Qualifying Individuals in the community whose income is less than 135% of the FPL.

PACES Actions

To protect the eligibility of these groups until new FPL guidelines are issued in April of 2002, PACES has been temporarily updated with the following estimated federal poverty level guidelines.

	100% FPL	120% FPL	135% FPL
One person	\$735	\$ 883	\$ 993
Two persons	\$994	\$1,193	\$1,342

No quality-control errors will be declared for incorrect eligibility determinations resulting from the use of estimated FPL guidelines during this period, provided cases are otherwise eligible. PACES will be updated with the actual amounts as soon as the new FPL guidelines are issued.

**BENDEX/PACES
Updates**

Effective in January, RSDI income amounts were updated using the amounts shown on the BENDEX file, unless the RSDI income on PACES exceeded these amounts. When the RSDI income shown on PACES is greater than what appears on the BENDEX file, the PACES amount will automatically be increased by 2.6%.

**Long-Term-Care
Case Actions**

During the week of December 10, 2001, the following actions were taken.

- PACES calculated new patient-paid-amounts (PPAs), effective January 1, 2002, for long-term-care members. Notices with the new PPA amounts were sent to members, spouses, and conservators.
- MMIS was updated with the new PPA information.

Card notices were mailed to long-term-care facilities notifying them of members' old and new PPAs.

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**Spousal Case
Actions**

The following actions were taken for spousal cases.

- RSDI amounts were updated for spouses (dependent #50 on PACES) and the new gross RSDI amounts will be used in future calculations.
- Spousal cases were recalculated using the new minimum monthly maintenance needs allowance (MMMNA).

PACES will use the new MMMNA and maximum spousal asset allowance for calculations as of January 2002.

**Community Case
Actions**

In January 2002, PACES will update the income amounts for category 5 and 7 community members on PACES. No financial eligibility calculations will be performed as a result of this update.

Questions

Questions about these procedures should be directed to the MassHealth Policy Hotline through the designee at your enrollment center.

2002 Medicare Part B Surcharge Premiums

[Base Premium of \$54.00 Plus Surcharge]

10%	\$ 59.40
20%	\$ 64.80
30%	\$ 70.20
40%	\$ 75.60
50%	\$ 81.00
60%	\$ 86.40
70%	\$ 91.80
80%	\$ 97.20
90%	\$102.60
100%	\$108.00
110%	\$113.40
120%	\$118.80
130%	\$124.20
140%	\$129.60
150%	\$135.00
160%	\$140.40
170%	\$145.80
180%	\$151.20

190%	\$156.60
200%	\$162.00
210%	\$167.40
220%	\$172.80
230%	\$178.20
240%	\$183.60
250%	\$189.00
260%	\$194.40
270%	\$199.80
280%	\$205.20
290%	\$210.60
300%	\$216.00
310%	\$221.40
320%	\$226.80
330%	\$232.20
340%	\$237.60
350%	\$243.00